



ANNUAL NOTICE OF BOARD OF DIRECTORS & SUPERVISORY COMMITTEE COMPENSATION

OnPoint Community Credit Union has established a Compensation Policy to provide reasonable compensation for its Board of Directors and Supervisory Committee as allowed by Oregon law and the Credit Union's Bylaws.

OnPoint's goal is to be the best provider of financial services to its members. The OnPoint Board believes the payment of compensation to the Board and Supervisory Committee members enhances the Credit Union's ability to attract and retain qualified Directors and Supervisory Committee members to represent the members.

Board & Supervisory Committee Responsibilities

The Board of Directors is responsible for the general direction of the Credit Union. The Directors serve on multiple committees and meet regularly as a Board to establish policy and business strategy; provide feedback and counsel to the CEO who is hired by and reports to the Board; review financial performance; and review the Credit Union's progress in achieving its goals and objectives. The Supervisory Committee is responsible for overseeing the audit function of the Credit Union to ensure the members' funds are protected. The Supervisory Committee is responsible for an annual audit of the financial statements; verifying the accuracy of members' accounts; and to ensure the Credit Union's financial records and operations are in order.

The sophisticated products and services of OnPoint require a Board and Supervisory Committee with strong financial knowledge, diverse skills and dedication to meet the oversight demands within the competitive and highly regulated financial services industry. The time commitments for Board and Supervisory Committee member meetings, meeting preparation, regulatory training and continuing education are significant and ever increasing. This warrants fair and reasonable compensation.

OnPoint Financial Performance

OnPoint has consistently achieved strong financial performance that supports reasonable compensation, through the balanced delivery of financial services to our members while ensuring safety and soundness of our Credit Union. To ensure a sound future, OnPoint has built net worth that exceeds the levels required by its regulators to be classified as well capitalized, achieved strong net income to maintain net worth, and managed risks within its operations to provide for consistently positive ongoing and future operational results. For more information about OnPoint's financial performance, please visit our web site at <https://www.onpointcu.com/annual-reports.html>.

Due Diligence

The Board conducted due diligence to consider and determine compensation that would be reasonable and commensurate with the responsibilities of the applicable positions. The due diligence information included a study by an independent consulting firm of 2015-2016 compensation ranges of similar size credit unions, community banks and other nonprofit organizations that compensate their Boards and audit committees.

Based on OnPoint's strong financial condition, market conditions and progressive mission and goals, the Board established a compensation schedule that is reasonable and consistent among peer credit unions of similar performance and size including in Oregon and Washington.

Compensation Schedule

This Compensation Schedule is part of the OnPoint Community Credit Union Compensation Policy for the Board of Directors and Supervisory Committee. It summarizes compensation paid following the 2016 Annual Meeting (March 17, 2016) through the first quarter of 2017, and provides compensation scheduled to be paid in quarters beginning after the 2017 Annual Meeting (March 16, 2017) through the first quarter of 2018.

The Credit Union provides reasonable compensation in the form of a quarterly stipend, based on positions held. This structure supports individual Board and Supervisory Committee members equally with respect to the importance of their respective duties and responsibilities, but provides compensation commensurate with the time commitments of the different positions. The following quarterly compensation schedule was approved for the nine (9) Board of Directors and three (3) Supervisory Committee members, while the individuals served the Credit Union during 2016-17 and 2017-18. Payments were approved for services rendered starting in September 2016.

	<u>2016-17</u>	<u>2017-18</u>
Board Chair	\$8,700	\$8,700
Director	\$6,700	\$6,700
Supervisory Committee Chair	\$2,100	\$2,100
Supervisory Committee Member	\$1,600	\$1,600

The Board elects the Board officers following the Annual Meeting held each March.

Based on the above quarterly schedule, the following amounts were paid in 2016-17 for services provided from September 1, 2016 through March 31, 2017, and are scheduled to be paid in 2017-18 for services provided from April 1, 2017 through March 31, 2018.

	Paid <u>2016-17</u>	Scheduled <u>2017-18</u>
Board Chair	\$20,300	\$34,800
Director	\$15,634	\$26,800
Supervisory Committee Chair	\$4,900	\$8,400
Supervisory Committee Member	\$3,734	\$6,400